(b) if so, what would be the fall-out of such decisions on Public Distribution System and Targeted Public Distribution System?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) It is recognised that subsidies can be a powerful welfare-augmenting instrument of fiscal policy. However their beneficial potential is at its best when they are transparent, well targeted, and suitably designed for practical implementation. Untargeted subsidies promote inefficiency and induce a wastage of scarce resources. The Government of India administers subsidy reforms with a view to maximise their reach towards target population at minimum cost without leakages.

(b) Food subsidy has not been reduced or removed. However, with a view to improving and better targeting the Public Distribution System the Government is engaged in a process of consultations with the State Government / UT Administrations.

Effect of modernisation of sugar mills

†172. SHRI KAPIL SIBAL:
SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have gathered the possibilities of creating a situation where the sugar mills of the country can remain in competition in the international market forever after their modernisation;

(b) if so, what was the total number of sugar mills at the end of September, 1999 and the total expenditure likely to be incurred on their modernisation; and

(c) whether Government have any Reserve Fund under Sugar

†Original notice of the question was received in Hindi.

Development Fund; if so, the amount remaining in the Fund in October, 1999?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (c) The Government has set up the Sugar Development Fund which, *inter alia,* provides loan to the Sugar factories at concessional rates of interest for undertaking modernisation projects. As on December, 1999, 206 modernisation projects of sugar mills have been sanctioned with loan from the Sugar Development Fund of Rs. 1000.61 crores, out of which Rs. 889.93 crores have been disbursed. As on 31.10.99, an amount of Rs. 983.00 crores was available in the Sugar Development Fund.

Sugar mills owing money to farmers

†173. SHRI RAJ MOHINDER SINGH:
SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that sugar mills owe money to sugarcane producing farmers on account of payment for sale of sugarcane;

(b) if so, the total outstanding amount by the end of September, 1999;

(c) whether any action has been taken by Government for an early payment of said money; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) As on 30.09.99, the cane price arrears payable by the Sugar Mills to the cane growers for sugar season (Oct.—Sept.) 1998-99 were to the tune of

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